

POLICY FOR SELECTION AND COMPENSATION OF ENGINEERING CONSULTANTS

I. GENERAL

The following policy is applicable to the selection of consultants for feasibility studies, master plans, design, field supervision, and related services for public improvement projects in the City of Reedley. Public improvement projects consist of new construction, renovation, or structural modifications of existing City-owned facilities. Professional services to be considered include the following:

- (1) Engineering (civil, surveying, mechanical, electrical, structural, etc.)
- (2) Geotechnical (foundation reports, quality control tests, etc.)
- (3) Aerial photogrammetry
- (4) Other professional services as required for public improvement projects

II. OBJECTIVE

The intent of this policy is to establish guidelines for a selection process and basis for compensation which will permit the City of Reedley to obtain the most highly qualified and competent consultants who are able to provide public facilities and services at the lowest total cost consistent with the highest quality standards of design and construction.

Consultants must be selected for a specific project based on their experience, their ability to perform services within given time frames, their record of success on similar work and their ability to complete the work with effective presentations, coordination and cooperation between all parties involved. The City of Reedley has the responsibility to establish a selection policy, which provides equal opportunity for all interested and qualified consultants to be considered for services required.

The provisions of these guidelines related to compensation engineering consultants are to be utilized as the basis for the negotiation of contractual agreements with these firms.

It is the finding of the City Council of the City of Reedley that this policy for selection and compensation of engineering consultants is consistent with and will carry out the policy of the State that such consultants shall be selected on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required while insuring that the services will be performed at fair and reasonable prices to the City of Reedley.

III. LIST OF PROJECTS

Each year the City will establish a list of capital projects for which technical consultant services will be required. Upon approval by the City Council or the projects contained in the annual City budget, the Public Works, Engineering and Community Development Department staff will review the scope of each project and where feasible, group smaller projects which are similar, into single contracts.

IV. CRITERIA FOR SELECTION

The following criteria shall be used in selecting a consultant for a particular study or project. It is understood, however, applicable items from the list will be used on each project, based on its scope and magnitude.

- (1) Education background of the consultant.
- (2) Experience record of the consultant.
- (3) Past performance of the consultant on work previously performed for the City or similar agencies.
- (4) Individual within the consultant's organization directly responsible for the work.
- (5) Adequate staff to perform the work within the time allowed.
- (6) Approach proposed for completion of the work.
- (7) Ability of the consultant to make effective public presentations on the report and/or proposed design.
- (8) Ability of the consultant to work effectively with City staff, other public agencies, and related parties.
- (9) New ideas presented by the consultant in proposal or presentations.
- (10) Knowledge of local conditions, where appropriate.
- (11) Demonstrated interest of the consultant in the success, efficiency and workability of facilities during construction and after they are placed in operation.
- (12) Whether the consultant is currently engaged in another project which has direct and substantial physical relationship to the proposed project.
- (13) When an existing facility is being modified or added to, whether the consultant who designed the original facility should be retained for the new work on the basis of cost, detailed knowledge of the existing facility, or necessity of use of the same design concept in the new work.
- (14) Past performance of the consultant in keeping costs within project budgets and design estimates.
- (15) After most qualified firms have been identified, the estimated fee proposal for providing professional services will be a factor in final selection of firms.

- (16) Demonstrated record of abiding by terms of subcontract agreements regarding timely payment for services rendered on City projects.
- (17) Ability of the consultant to furnish effective construction supervision, where such services are required.
- (18) All other things being equal, local (within Fresno County) consultants are preferred over non-local consultants.
- (19) All other things being equal, a non-local consultant who associates with a local consultant for the purpose of the particular services required shall be preferred to a non-local consultant who does not so associates.

V. **SELECTION METHODS**

Selection of consultants for all contracts shall be made using one of the following methods.

- (1) FORMAL REQUESTS FOR PROPOSALS.
(Projects with estimated construction cost of \$100,000 or more.)

Formal requests for proposals on engineering contracts will be requested on projects where the estimated construction cost is \$100,000 or more. Under this selection method, engineering consultants are required to submit formal proposals which include detailed information on project-related questions developed by the Public Works, Engineering, or the Community Development Department. Responses to these questions are utilized to determine the professional qualifications and competence of each firm.

On projects requiring requests for proposals, the consultant will be provided a comprehensive design program, which may include a detailed description of the proposal project. Information to be provided may include some or all of the following:

- (a) Functional area requirements, including general layouts.
- (b) Nature of activity, number of persons and equipment within the project.
- (c) Project time frame and anticipated budget.
- (d) Site conditions, including landscaping and drainage.
- (e) Maintenance expectations.
- (f) Mechanical and electrical requirements or criteria.
- (g) Special conditions unique to the project.

Proposals will be submitted to the Public Works, Engineering, or Community Development Department.

Notification Procedure – In order that all interested parties will have an opportunity to participate equitably, consultants will be notified by one of the following formats:

Request for proposals on projects requiring professional/technical services will be distributed by the Public Works, Engineering, and Community Development Departments to those firms in Fresno County who have previously shown interest in similar projects. Interested and qualified firms are maintained on lists compiled and updated periodically by the Public Works, Engineering, and Community Development Departments. New names of interested engineering firms may be added to that list at any time during the year by notifying the Public Works, Engineering, or Community Development Departments in writing.

There may be major or specialized projects in which it may be advantageous for the City to advertise outside the local areas. On those projects, wider advertisement may be made in addition to local notification.

The Public Works, Engineering, or Community Development Departments will assemble all proposals received for evaluation by a Selection committee. The Selection Committee may evaluate all proposals as submitted or it may interview the consultants. If several proposals are received for a project, the committee may interview only the most qualified consultants, usually three to five firms. More than five firms will be considered as finalists when, in the judgment of the committee, other firms are equally qualified to provide the requested professional services.

After the most qualified firms have been identified, the Selection Committee will ask those firms for an estimated fee proposal for providing professional services for the project under consideration.

The Selection Committee may consist of representatives from the Public Works, Engineering, or Community Development Departments, Administrative Office and the user department. On major projects, the committee may also include a representative knowledgeable in engineering services from outside the community or from one of the universities. The Selection Committee will utilize the list of items set forth in the Criteria for Selection to evaluate the proposals.

For projects in this category (over \$100,000) the City Council will make final selection from three to five most qualified consultants identified by the Selection Committee. More than five firms will be considered as finalist when, in the judgment of the committee, other firms are equally qualified to provide the requested professional services. The Selection Committee makes a recommendation from a list of the most qualified firms along with a commentary on the strong and weak points for each listed consultant and the estimated fee proposals of providing professional services.

Public Works, Engineering, or the Community Development Departments will negotiate the terms of the agreement for services and final compensation with the engineering firm after the final selection has been made by the City Council.

(2) PREQUALIFICATION OF CONSULTANTS & EVALUATION OF INFORMAL PROPOSALS.

(Projects with estimated construction cost of less than \$100,000.)

- (a) Projects with an estimated construction cost between \$50,000 and \$100,000 or for subconsultants/specialists with estimated fees and greater than \$25,000.
- (b) Projects with an estimated construction cost of \$50,000 or less or for subconsultants/specialists with estimated fees not exceeding \$10,000.

Subconsultants or specialist may consist of soils engineers, aerial photogrammetry firms, surveyors, energy conservation engineers, space needs analysts, etc., which do not provide complete design services for a construction contract, but are utilized for an analysis or services, which may lead to only a partial design component.

With regard to *Prequalification of consultants – evaluation of informal proposals*, this method will apply to the selection of consultants in projects where the estimated construction cost does not exceed \$100,000.

Under this method, consultants interested in being included in a list of prequalified firms will submit a statement of qualifications and performance data on Standard Form 254. These statements will be solicited by the Public Works, Engineering, or Community Development Departments on an annual basis, but can be updated by participating firms at any time. New names of interested firms may be added to this list at any time during the year by submitting a completed Standard Form 254.

After the list of prequalified firms have been established, a minimum of three (3) firms that have previously expressed an interest in the type of project for which consultant services are needed will be contacted to determine availability and immediate interest. The purpose of these statements of qualifications and performance data is to reduce the amount of information submitted by consultants when being considered for selection. The Public Works, Engineering, and Community Development Departments may request additional information as required. Engineers selected for services using this method will not be precluded from consideration under the Formal Requests for Proposals Method.

Public Works, Engineering, or Community Development Departments will negotiate the terms of the agreement for service and final compensation with

the selected engineering firm after the final selection has been made by the Selection Committee or applicable Department Head and City Manager.

Final Selection of Consultants (Informal Proposals)

- (a) Projects with an estimated construction cost between \$50,000 and \$100,000.

For projects submitted in this category, the Selection Committee evaluates all informal proposals considered under this category and makes the final selection. Contractual agreements are negotiated by the applicable Department Head and City Manager and submitted for City Council approval if the amount of the contract-engineering fee is greater than **\$16,250**. Agreements involving a contract-engineering fee lower than **\$16,250** are normally approval by the City Manager and do not require City Council approval, as long as the project budget has been approved by the Council.

- (b) Projects with an Estimated Construction Cost of \$50,000 or Less.

Evaluation of qualifications of firms considered under this category and their selection are performed by Department Head or his designee. A Selection Committee is not utilized for the evaluation and selection of these consultants. The City Manager awards all contracts under this category, subject to the **\$16,250** limit imposed by State law.

VI. EXTENSION OF CONTRACTS

Negotiation with Individual Firms for Extension of an Existing Contract or a Multi-Phase Contract

Certain engineering and aerial photogrammetry services are of such a nature that it is more efficient and economical to expand the scope of the work under an existing contract or enter into a multi-phase or multi-year contract. An extension of an existing contract would be limited to services, which have been determined to be logically incorporated into an ongoing contract and to be constructed as a single project. A multi-phase contract is normally negotiated under the Formal Requests for Proposals method and does not include feasibility studies, master plans, and programming services. Negotiations may be required on existing multi-phase contracts upon completion of each phase prior to proceeding with the next phase. A multi-year contract is normally negotiated at the time of the original agreement to permit the City the option to extend the contract into future fiscal years.

Agreements for these services will be negotiated by the Public Works, Engineering, and Community Development Departments when appropriate and will be submitted to the City Manager and City Council for approval.

VII. APPEAL PROCESS

When a written appeal is filed regarding the decision of the Selection Committee, the Public Works, Engineering or Community Development Departments and the City Manager shall render a decision on the merits of the appeal within ten (10) days.

All appeals shall be filed in writing with the Public Works, Engineering, or Community Development Department within five (5) working days after notification of non-selection, or the proposer shall lose any right to further appeals.

All proposals shall be kept confidential throughout the appeals process and no proprietary information concerning project approach, concepts, or preliminary analyses shall be revealed to competing firms.

In cases where a resolution satisfactory to the appellant is not possible, the appeal will be heard by the City Manager.

All proposers will be notified when an appeal is made. When an appeal is to be heard by the City Manager, the notification will include the time and place for the hearing and all affected firms, as well as the Public Works, Engineering and Community Development Departments will be given an opportunity to comment. Affected professional societies will be allowed to file comments with the City Manager prior to such hearings.

VIII. COMPENSATION FOR ENGINEERING SERVICES

(1) Estimated Fee Proposal Submitted by Consultants

After the most qualified firms have been identified under the Formal Request for Proposal selection method (projects with an estimated construction cost of \$100,000 or more), these finalist firms will be asked to submit an estimated contract engineering fee proposal for the cost of providing professional services. This requirement does not apply to firms selected under the Prequalification of Consultants & Evaluation of Informal Proposals method, which includes projects with an estimated construction cost of less than \$100,000.

If necessary, the Selection Committee will discuss with each finalist firm the estimated contract-engineering fee proposal for the purpose of clarifying financial component of formal proposals.

The final contract-engineering fee and basis of compensation will be determined while negotiating the terms of the agreement for consultant services.

(2) Basis for Compensation

Wherever possible, compensation for Engineering Services, which shall include all necessary engineering services, shall be related to complexity and dollar value of the project.

The basic compensation for Engineering Services will be determined using one of the following procedures:

- (a) Lump sum payment.
- (b) Agreed hourly rate with maximum fee using approved Rates of Compensation.
- (c) Percentage of Construction Cost (to nearest 0.1%) for basic Engineering Services. These are to be used only as a basis for negotiations and the final fee agreed upon between parties may be above or below the values, depending upon the complexity and information furnished by the City or type of project.

(3) Recap of Engineering Agreement

Engineering agreements will specify various phases for basic services when the above methods of compensation are used. The following compensation schedule list these phases for projects, the basic compensation for each phase, and the construction cost basis for each phase.

COMPENSATION SCHEDULE FOR ENGINEERING PROJECTS

Percent Basic Compensation

PHASE*	Per Phase Percent	Cumulative Percent	Const Cost Basis
Phase 1 – Preliminary Survey/Schematics	25%	25%	Engineer's Est.
Phase 2 – Preliminary Plans	25%	50%	Engineer's Est.
Phase 3 – Final Plans & Quantities	30%	80%	Final Engineer's Estimate
Phase 4 – Engineer's Estimate, Contract Specs & Const. Review	20%	100%	Final Engineer's Estimate or actual bid
<u>Or</u>			
Phase 5 – Contract Surveillance	20%	100%	

(*) Depending on scope and magnitude of project, phases may be combined to reduce total number.

(4) Engineering Projects

(a) Scope of Work

A detailed description of the work setting forth specific tasks to be accomplished, together with a summary of information such as preliminary reports, as-built plans, right-of-way drawings and City standards to be used in the design of the project.

(b) Phase 1 – Preliminary Surveys

Compensation for the performance of all preliminary surveying work necessary for completion of the plans, specifications and quantity calculations, including location of section corners or other horizontal references and the establishment of a bench mark system to maintain vertical control.

(c) Phase 2 – Preliminary Plans

Plans will include title sheet, typical cross-sections, plan and profile sheets, and other views or sections necessary to show all work to the satisfaction of the City. This phase will also require, if necessary, such displays as may be needed for public meetings regarding the project.

Two sets of preliminary plans will be furnished to the Engineering Department for review and comment. The Engineer shall also perform all work necessary in coordinating with various districts and utility companies involved to insure that all existing facilities are shown on the plans.

(d) Phase 3 – Final Plans and Quantities

Upon completion of review by the City, the Engineer shall meet as required to discuss changes or additions to the details shown, format in which information is presented and the need to provide additional views, sections, etc. When agreement is reached on information to be shown, the Engineer shall prepare final plans to established City standards.

After final plans are completed, the Engineer will also prepare quantity calculations for each item of work. These calculations will be checked by an individual other than the person making the original calculations.

Upon completion and approval of the plans, the Engineer will sign the original plans, submit them to the Public Works, Engineering, or Community Development Department and they will become the property of the City of Reedley.

(e) Phase 4 – Engineer's Estimate, Specifications and Construction Review

The Engineer will provide technical specifications for each item of work on 8½" x 11" sheets, which will be submitted to the Public Works, Engineering, or Community Development Department for review, approval and included in the project special provisions.

The Engineer will provide an Engineer's Estimate to the City of Reedley, which includes unit prices for each contract item of work to be bid.

The final Engineer's Estimate and the unit prices used to arrive at the estimate shall be agreed upon between City and Engineer.

The Engineer shall, upon request, provide such assistance as the City may require in rendering decisions on any problems, which develop during construction that may require an interpretation of the plans and specifications.



REPORT TO CITY COUNCIL

— MEMORANDUM —

AGENDA ITEM NO: 6

COUNCIL MEETING DATE: October 27, 2009

SUBJECT: *Setting a policy for the selection and compensation of engineering professional consultants for the City of Reedley.*

RECOMMENDATION:

It is staff's recommendation that the City of Reedley adopt the attached policy as written guidelines for the selection and compensation of engineering professional consultants for the City of Reedley.

BACKGROUND:

In order for the City of Reedley to be in compliance with HUD's (U.S. Department of Housing and Urban Development) regulations concerning CDBG (CDBG-R) Community Block Grant Recovery Act funded projects, Cities are being required to adopt a written consultant selection procedure policy. Engineering staff obtained a copy of the County of Fresno's policy and modified it to suit the City of Reedley. Our City Attorney's Office has reviewed the attached policy.

In general, this policy will be applicable to the selection of consultants preparing feasibility studies, master plans, project designs, project management, and related services for public improvement projects in the City. The policy will establish written guideline for the selection of process and the basis for compensation. Each year the City will establish a list of capital improvement projects for which consultant services may be required. This policy establishes the method and criteria for selection of consultants to be used for any particular project. In general, projects with an estimated construction cost of \$100,000.00 or more will go through a "Formal Request for Proposals" and projects with estimated construction cost that do not exceed \$100,000.00, staff may select for a "Prequalified list of Consultants" and evaluation of informal proposals. The policy has a provision for the extension of contracts, since certain engineering and aerial photogrammetry services can be more efficient and economical to expand the scope of work under an existing contract. The proposed extension of a project agreement will be negotiated by the applicable Department and submitted to the City Manager and City Council for approval. The policy has an appeal

process, in which appeals shall be filled in writing with the appropriate Department within 5 days of a non-selection notification and a decision rendered on the merits of the appeal within 10 days. After the most qualified firm has been selected, Compensation of engineering services and final contract-engineering fee will be determined while negotiating the terms of the agreement for consultant services. The fees will be determined using either a lump sum payment, agreed hourly rate with a maximum fee using approved rates of compensation or a percentage of construction cost.

With the adoption of this policy by the City Council, staff will be submitting the policy along with a Request for Proposals (RFP) for engineering consultant services to the County of Fresno, Community Development Division for review. The RFP will state that assignment will included CDBG-funded projects and could be for a maximum of three (3) years.

FISCAL IMPACT:

Since the proposed policy only deals with the selection and compensation of engineering consultants, there is no fiscal impact to the City.

Prepared by:  Engineering

Approved by:  City Manager

Attachment(s): Policy for Selection and Compensation of Engineering Consultant

Motion: _____
Second: _____